PHILIP MORRIS COMPANIES INC. **INTER-OFFICE CORRESPONDENCE**

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PRIVILEGED AND CONFIDENTIAL

To: **Meeting Participants** **Date:** August 12, 1993

From: Murray H. Bring

Subject: GUIDELINES FOR DISCUSSIONS WITH MEDIA AND ANALYSTS

In order to avoid making any comments to media representatives or analysts about our cigarette pricing which may be misconstrued, the following guidelines should be adhered to:

As a general proposition, you should avoid any statements which could be viewed as a "signal" to competitors concerning our pricing actions. In particular, the following types of comments should be avoided:

1. Don't state our future intentions regarding pricing.

   "We plan to raise prices 7% in the next year."

   "We don't plan any price decreases."

   "We anticipate fewer price promotions."

2. Don't speculate on what we would do in response to a competitor's actions.

   "If RJR raises prices, we'll follow"

   "We'll go along with any industry price increase."

   "We'll stop discounting if our competitors stop."

3. Don't make statements criticizing the pricing of competitive companies.

   "RJR's refusal to increase prices is destroying the industry."

   "RJR's discounting is making the cigarette business less profitable."

   "We would raise prices if RJR weren't pricing so low."

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Source: https://www.industrydocuments.ucsf.edu/docs/xyfc0003

4. Don't say what you think the industry needs.

"The industry needs a 5% price increase."

"Without a price increase, the industry is in trouble."

"You won't see as much price discounting this year as manufacturers try to maintain a profit."

5. Don't make predictions of price increases.

"I expect we'll see a 4% price increase."

"You're going to see less price discounting."

"The prices of generics have to increase."

6. Avoid any language suggesting the companies aren't vigorously competing.

"The industry will suffer from excessive price discounting."

"We all benefit from higher prices."

"We would rather compete in marketing than in price."

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